

Executive Summary

The Louisiana State Motion Picture Investor Tax Credit was introduced in 2002 to stimulate the Louisiana economy. The Credit consists of a 30% base tax credit on qualified production spending and an additional 5% credit for payroll expenditures to Louisiana residents. The Credit's economic and fiscal impact on the state is undocumented and must be measured in order to determine its value to the state of Louisiana. This report was prepared to document measurements of the Credit's impact based on an analysis of ongoing production spending, ongoing visitor spending, and one-time infrastructure spending.

The Credit's economic impact has been overwhelmingly positive. For example, from 2002-2013, employment in the motion picture and television industry within Louisiana grew from 868 to 6,029 jobs. That is 594.4% growth compared to 12.4% across the U.S. In addition, qualified production spending in Louisiana increased dramatically, estimated at \$1.039 billion in full credits for 2013.

More specific findings from the report are highlighted below.

Production & visitor spending together (2013) created	<ul style="list-style-type: none">• 33,520 jobs across industries in the state• \$1.238 billion in personal income in the state• \$3.987 billion in state economic output
Production spending (2013) alone created	<ul style="list-style-type: none">• 10,800 jobs across industries in the state• \$471.2 million in personal income• \$1.586 billion in state economic output
Infrastructure spending (2012-13) created	<ul style="list-style-type: none">• 160 jobs across industries in the state• \$8.7 million in personal income in the state• \$21.7 million in state economic output

The Credit's fiscal impact is less clear because its cost has been calculated in two different ways. The state of Louisiana received \$95.1 million in state tax revenue and \$85.9 million in local tax revenue

generated by the Credit for a total of \$181 million in 2013. The Louisiana Department of Revenue calculated the Credit's cost for 2013 at \$178.9 million, resulting in a net tax gain of \$2.1 million. The Louisiana Economic Development office calculated the Credit's cost for 2013 at \$246.6 million, resulting in a net tax loss of \$65.6 million.